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Country Programme Outline for Papua New Guinea (2003-2007)*

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* The collection and analysis of current data required to present the Executie Board with the most up-to-date information has delayed submission of the present document.

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I. Situation Analysis

1. Papua New Guinea achieved political independence in 1975. As a young nation, the country is at a crossroads. Despite possessing substantial natural resources and receiving significant external support over the last twenty-seven years, there remains major development challenges in the country. In 2002, a large percentage of the population continue to face serious health problems and lack of access to basic education and other services. Key economic and social indicators point to a decline in the living standards of many people, with vulnerable groups like children, youth, women and disadvantaged populations being most affected. The image of Papua New Guinea as a nation, beset with chronic law and order problems, a record of poor governance and stagnating development, with increasing levels of poverty, has isolated the country from the mainstream of regional and international trade, commerce and investment. The main development challenges facing Papua New Guinea today are to reverse this trend, by improving the national and provincial governance system and improve human security, reduce poverty and promote sustainable human development and environmental conservation.

2. The UNDP Country Office is also at its own crossroads, with far reaching changes taking place within the office in an effort to improve accountability and shift to a more results oriented programming mode. Against this background, UNDP cooperation with Papua New Guinea for the period 2003-2007 is set on a new course, where sustainable human development with focus on good governance using locally "best practices" and 'reality-tested' ideas and methodologies will be the base.

3. The Government is at the present time working with an alliance of partners, including the Asian Development Bank, UNDP, AusAID, World Bank and others to develop a National Poverty Reduction Strategy Paper that will focus more on the 'poverty of opportunity'. This is a definition often used in the Pacific islands to describe a situation, where people may have enough to eat through communal access to land and resources, but have only very limited access to basic health and education services, with few opportunities for employment or income generation.

4. The lack of opportunities in a changing economic and social environment has contributed to the emergence of a number of interrelated development issues including a serious increase in crime and instability in local communities; unsustainable use of natural resources and inadequate management of environmental conservation. The effects of 'poverty of access and opportunity' has had a particular negative effect on gender equality in many aspects of life in Papua New Guinea, including an alarming high rate of violence against women, although this varies between provinces and amongst different ethnic groups in the country. The strong nexus between poor governance, poverty, law and order problems and the growing HIV/AIDS epidemic has been well documented and has had a negative impact on the daily lives of all people and effected long-term investment decisions. Also, it has led to the highest incidence of HIV/AIDS in the Pacific region, with the highest percentage of 15-24 year-olds living with HIV/AIDS in South-east Asia and the Pacific.

5. The Government has recognized the urgent needs to undertake governance reforms in the following areas to combat poverty and increase development opportunities for its people through: (i) rationalization of the roles of the private and public sectors; (ii) strengthened national leadership through the institutions of parliament and government; (iii) increased and enhanced opportunities for government/civil society partnership; and (iv) improvement of social service access and delivery.

II. Past cooperation and lessons learned

6. The review of the Country Cooperation Framework (1997-2002) conducted in 2001, noted some positive results in the areas of: (a) governance – development of decentralized planning systems and the publication of the first National Human Development Report in 1998. The theme of the report was 'rural livelihoods' and was designed to enhance the policy making and planning processes at national, provincial,

district and local levels; (b) sustainable livelihoods – support for business training and initiatives in the informal sector and support to a safer city initiative in Port Moresby; (c) reconstruction and rehabilitation of Bougainville – has been a key success in mobilizing donor funding and cocoa and copra rehabilitation; and (d) environment and natural resources management – by introducing instruments for community-based integrated conservation and development schemes.

7. The key lessons learned are: (i) importance of programme focus with emphasis on results; (ii) integration of governance and human security to ensure that emphasis remains on government-community interaction and promotes a more systematic dialogue on poverty reduction monitoring and financial management issues; and (iii) greater focus on implementation and institutionalization of actions and processes, with verifiable outcomes.

8. Other lessons are related to: (i) the need for capacity building and the requirement for actual, not assumed, 'ownership' locally; (ii) the potential for strengthening the nexus between governance, poverty and natural resource/environment conservation (iii) the importance of emphasizing gender mainstreaming particularly in the area of local governance and local planning processes, and difficulties in promoting quality health and education service and for addressing major concern of HIV/AIDS.

III. Proposed Programme

A. Linkages with the United Nations Development Assistance Framework

9. The proposed programme contributes to each of the three objectives of the UNDAF:

(i) **Enhanced leadership and participation** – Strengthened leadership and participation for improved planning, management and implementation of economic and social development policies and strategies to ensure accountability, consistency, equity and sustainability.
(ii) **Improved access quality and delivery of basic services** – Strengthened access, quality and delivery of basic services at all levels of community.
(iii) **Improved internal, regional and global integration** – Greater integration and cooperation of Papua New Guinea with regional and global development processes and systems.

B. Intended Results

10. The proposed programme aims to achieve the aforementioned three objectives through implementation of projects that center around areas in good governance and poverty reduction, with cross- cutting issues such as gender, ICT, environment and crisis prevention. Synergystic efforts in each thematic area are expected to bring about improved leadership and participation in development processes, improved access to basic services for all while ensuring their quality and timely delivery, and improved integration of national development processes into regional and global processes. The intended outcomes and outputs under specific programmes are shown in Annex.

C. Cooperation Strategies

11. The UNDAF identifies a set of cooperation strategies that will be pursued by the UN Country Team (UNCT). These strategies are defined in terms of: (i) advocacy; (ii) strategic partnerships and policy dialogue; (iii) knowledge networking and information sharing; and (iv) capacity building and international development.

12. As a key member of the UNCT, and with the overarching goal of poverty reduction, the UNDP Country Office in Papua New Guinea will support these cooperation strategies through the delivery of high quality capacity building and policy advice in the six main practice areas of the organization: democratic governance; poverty reduction; crisis prevention and recovery; energy and environment; information and communication technologies and HIV/AIDS. A key to the support that will be provided in these areas will be the alignment with the Government's own development riorities with the aim to (i) add value; (ii) provide a global perspective; and (iii) offer an expanded range of options for the national decision-making processes including 'lessons learned' and 'best practices' from within as well as outside the region. To this end, a special Rapid Assessment Support project has already been approved. It will enable the office, at short notice, to call on the SURF and or other key development partner organizations for technical "up-stream" policy advice and guidance.

13. UNDP will very assertively strengthen its cooperation and working relationship with the government and its traditional development partners as well as with emerging new partners, both indigenous and exogenous. UNDP will play a catalytic role in promoting a holistic, multisectoral approach to policy development. As an 'honest broker' UNDP will offer support to the Government as it seeks to make development decisions based on the broad range of technical assistance offered by the development community. It will use its global network to offer to the Government state of the art experience and information as well as access to south-south cooperation to broaden understanding of policy options. In designing such support, UNDP will be cognizant of the need to respect the specific development context and the potential to draw on past and emergent experience from within Papua New Guinea.

14. Interventions will seek to intensify all aspects of delivery, with the focus on government ownership, coordination with other stakeholders, management, implementation, monitoring and mitigation of risks. It will uphold the principle of human development in the development process, while reinforcing locally developed and reality-tested mechanisms and tools for management and monitoring of performance for impact. Commitments to global agreements and conventions, especially to the Millennium Development Goals (MDG) will be integrated with sectoral priorities and indicators of performance. The emphasis will be on integration with the Government's own development and budget monitoring and reporting requirements, minimizing the need for a parallel reporting process. Harmonization of the resident UN agency programme cycles increases opportunities for common UN/UNDP programme/project design, management, monitoring and evaluation. It also expands opportunities for joint and/or parallel programming, both with other UN agencies as well as with traditional major bilateral and NGO development partners and the private sector.

15. The experience gained in the implementation of an integrated programme in Bougainville under the first Country Cooperation Framework provides very useful lessons for the development of cooperation strategies in the future. The respect gained by UNDP from national and provincial authorities and donors in the implementation of the Bougainville programme will be built upon and strengthened in the design and implementation of activities in a post-peace agreement era.

16. The country programme will ensure access to outposted policy advisory services within the Sub-Regional Resource Facility. In the design of specific programme interventions, particular attention will be given to maximizing potential synergies between the country programme on the one hand and regional and global programmes on the other. In particular, it is envisaged that improved integration between the country programme and the Pacific sub-regional programme will be emphasized and strengthened in the forthcoming programming cycle.

IV. Management, monitoring and evaluation

A. Monitoring and evaluation

17. Through the application of results-based management (RBM) principles, outcome indicators, including baselines and targets, have been agreed with the Government and other key stakeholders (see Annex 1). In order to ensure that the UNDP team and Government counterparts are familiar with all aspects of the application of these principles a training programme will be organized in mid-2002.

18. The UNDP Country Office will work closely with selected implementation partners to ensure that programme and project monitoring systems are in place and aligned with the results-based framework. The existence of verifiable outcomes and clear targets are expected to make monitoring and evaluation more effective and results focused, ensuring that Country Office staff, in concert with the Government and development partners, internalize the systematic management of the UNDP cooperation activities. In addition, every effort will be made to align these programme and project monitoring systems with those that are already in place by the Government's annual budget and financial management and reporting system.

B. Execution and implementation

19. As noted in the Country Review (2001) of the current CCF, UN agencies were primarily involved in project execution, with only one project nationally executed (NEX). It is envisaged that the government would request UNDP to pursue NEX as the preferred modality in future. It will be necessary that the increased use of the NEX modality be underpinned through systematic capacity building for sustainability. This will require a concerted effort, building upon a new generation of re-profiled country team members.

C. Resource mobilization

20. Implementation of an innovative resource mobilization strategy will be a vital ingredient for the successful implementation of the proposed programme areas in the new CPO. The key principles which will be applied in developing the strategy will be: (i) a sharp focus in the areas of UNDP engagement based on its comparative advantage and ability to play a catalytic role in policy development; (ii) a clear demonstration that UNDP involvement will bring innovation, add value, be cost-effective and offer a new or alternative perspective from other sources (iii) coordinated and sustained involvement of donors in development of programme initiatives, where UNDP can clearly identify and articulate its role and commitment; (iv) a concerted shift, whenever possible, to joint missions/design, monitoring and reporting processes that minimize the burdens placed on the Government; (v) greater NGO and CSO involvement; and (vi) intensified efforts to capitalize on the opportunities for non-core funding from UNDP Trust Funds, regional and global programmes and other sources yet to be tapped for the UNDP country programme.

D. Country office structure and staffing

21. The proposed programme will be managed under a re-profiled Country Office. The Country Office places utmost importance in enhancing capacity within the office and, in this regard, a comprehensive training plan has been developed and is being implemented. Training will be essential to ensure staff job satisfaction and career development, manage an orderly transition from the current to new programme cycle, and allow for the full and effective delivery of the programme proposed for the period 2003-2007.

22. Vital to the viability of the Country Office programme is the mobilization of extra-budgetary resources (cash or in-kind) to complement a limited number of core positions with technical and programme management expertise in the thematic priority areas outlined in the Country Programe. This will ensure that the Office can honor the commitments made to donor partners as part of its resource mobilization strategy.

E. Contingency Planning

23. A key issue faced in the implementation of the first Country Cooperation Framework (1997-2001) was the unforeseen disruptions to development efforts in Papua New Guinea due to a series of natural disaster emergencies, as well as a number of major events which led to political instability and security concerns. Against this background, the UNDP Country Office will work with the rest of the UNCT, the Government and civil society to develop capacity for contingency planning that will further supplement the country programme deliverables, should such events occur in the future, while retaining the three pillars of the programme of governance, service delivery and integration.

Annex: Results and resources framework

Figures in thousand USD

UNDAF Objective 1: [illegible]				
Strategic Area of Support	**Intended Outcome**	**Outcome Indicator**	**Intended Outputs**	**Resources**
Mainstreaming of gender in poverty frameworks at all levels	• Gender mainstreamed in poverty reduction frameworks at national, provincial and local levels.	• Gender perspectives reflected in poverty reduction frameworks at national, provincial and local levels.	• Gender sensitivity tools developed and applied to poverty reduction planning; • Training provided in gender mainstreaming at national, provincial and local levels.	**Total 12,816** Total Regular: 2,151 Total Other: 10,665 of which Gov CS*: 2,120 TP CS*: 3,180 TF*: 5,365
Poverty reduction strategies through good governance	• More accountable and efficient poverty reduction strategies catering for key social service sectors developed and implemented through enhanced decetralisation, devolution and participatory processes.	• Funding budgeted for key social service sectors; • Resources allocated effectively at national, provincial and local levels; • National HDR and MDGR produced; • Improvements in human development indicators.	• More efficient allocation and use of resources targeted for poverty reduction reflected at national, provincial and local budgets; • Poverty reduction targets met and improvements in human development indicators documented; • Consultation frameworks with civil society on poverty reduction established.	
Promotion of human rights, peace and security through participatory processes	• Human rights promoted and safer environment re-established through maintenance of peace and security.	• Increase in participatory activities to promote human rights, peace and security; • Decrease in number of incidents involving human rights abuse, gender-based violence and proliferation of small arms.	• Participatory activities to promote human rights, peace and security developed and implemented; • On-going programme in the capital city on conflict/crime prevention replicated throughout the country.	
Conservation of environment and energy for sustainable livelihoods	• Policies developed and implemented to promote sustainable development at national, provincial and local levels.	• Sustainable development parameters and monitoring system established at national, provincial and local levels and reflected upon policies.	• Policies on sustainable development finalized to reflect nexus between environment, poverty and governance; • Capacity increased at all levels for participatory processes to formulate and implement sustainable development policies.	
UNDAF Objective 2: Improved [illegible] and delivery of [illegible]				
Strategic Area of Support	**Intended Outcome**	**Outcome Indicator**	**Intended Outputs**	**Resources**
Promotion of economic and employment opportunities	• Strengthened extension services to increase employment opportunities and income generation activities in rural areas; • Strengthened informal sector production and marketing capabilities with expanded employment opportunities in rural and urban areas.	• Successful activities in Bougainville project replicated to other provinces; • Informal sector opportunities increased.	• Support provided for replication of successful Bougainville activities into other districts and provinces; • Informal sector study recommendations implemented.	**Total 5,421** Total Regular: 1,221 Total Other: 4,200 of which: Gov CS*: 1,600 TP CS*: 2,400 TF*: 200
Multi-sectoral response to HIV/AIDS	• Socio-economic impact of HIV/AIDS reflected in plans and services as part of a national multi-sectoral response.	• Multi-sector plans and services delivered.	• Support provided to promote and strengthen understanding of socio-economic impact of HIV and of need for broader sector planning	
UNDAF Objective 3: Improved Internal, regional and global integration				
Strategic Area of Support	**Intended Outcome**	**Outcome Indicator**	**Intended Outputs**	**Resources**
Enhanced participation of PNG in key UN Agreements and Conventions	• Increased Government commitment to implement and enhance national capacity to monitor UN Agreements and Conventions, including MDG, in locally sensitive manner.	• PNG's enhanced participation in the global implementation of the monitoring and reporting requirements of key UN Agreements and Conventions, including MDGR.	• Support provided to Government to undertake a stocktake of regional and global commitments with regard to key UN Agreements and Conventions, incl. MDGR.	**Total 1,165** Total Regular: 430 Total Other: 735 of which: Gov CS*: 280 TP CS*: 420 TF*: 35
South-South cooperation for advocacy and technical assistance in priority areas	• Mechanisms developed/introduced through to link national initiatives with activities pursued through regional and global initiatives of UN system.	• Number of south-south and successful TCDC opportunities demonstrated; • International networking opportunities in priority areas.	• Promote south-south participation, exchanges and TCDC opportunities to expand PNG's access to and exchange of technical assistance and support in priority areas.	
				Total Resources: 19,402 of which 3,802 (Core) and 15,600 (non-Core)